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August 4, 2010

Via Federal Express

Carmen Torres
VP Client Services
2400 Louisiana Blvd, NE
Building 4
Albuquerque, NM 87110

Re: **MSE Distributing Inc., AutoLady, Inc., and GMF Enterprises v.
Southwest Reinsure, Inc. arbitration case**

Dear Ms. Torres:

I am in receipt of your July 26, 2010, letter.

Your letter indicates that you believe Southwest Reinsure, Inc. (SWRE) has "not been made aware of any disagreements concerning the Agreements" Each of my clients made SWRE managers well-aware of how wrong it was for SWRE to discontinue paying their commissions for contracts SWRE is selling at dealerships that my clients introduced to SWRE. Your email-boxes were overflowing with objections from agents you stopped paying. The conference call in which SWRE announced the termination of commissions was full of adamant objections to which SWRE responded by saying that it would not change its stance. It has been several months now and SWRE has not addressed any of the concerns raised by my clients and many other agents. That constitutes a clear irreconcilable difference.

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If you have any doubt about whether my clients communicated their issues with SWRE's decision to SWRE managers, I would urge you to speak with Ken Willsey and Eddie Eckert. I would also urge you to review their email communications with my clients and with other similarly-situated agents. Indeed, SWRE has made it abundantly clear that it has no intention of discussing issues related to the cancellation. Mr. Willsey, writing in his capacity as an executive for SWRE and with a copy to Jim Smith, illustrated just how irreconcilable the differences were: "I am done with this," he wrote.

SWRE knows well why my clients are demanding an arbitration hearing. My clients spent a massive amount of time and money doing the daily, grinding work of building a sales distribution network for SWRE, dealership by dealership. They were successful. They were three of SWRE's top agents. And, now that the profit-producing machine has been built and is generating tens of thousands of contacts and vast revenue for SWRE, SWRE has decided not to fulfill its part of the deal. My clients are eager to share with the arbitration panel what happened to them.

However, if SWRE is willing to discuss resolution outside of arbitration, my clients are certainly willing to do so. Yet, the arbitration process can and will proceed. Two arbitrators have been selected in manner prescribed in the SWRE contract. They will soon be selecting the third arbitrator. If the parties are able to come to resolution, they will be able to notify the arbitrators that the arbitration hearing is unnecessary.

If after your review of this letter, SWRE is still interested in discussing settlement, please feel free to call me at the number appearing below.

Sincerely,

A handwritten signature in black ink that reads "Matt Bartle". The signature is written in a cursive, slightly stylized font.

Matthew V. Bartle